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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91164764
Party	Plaintiff Brink's Network, Incorporated
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

BRINK'S NETWORK, INCORPORATED)	
)	
Opposer)	
v.)	Opposition No. 91164764
)	
THE BRINKMANN CORPORATION)	
)	
Applicant)	

REPLY MEMORANDUM IN SUPPORT OF OPPOSER'S
MOTION TO ENFORCE SUSPENSION OF PROCEEDINGS

I. INTRODUCTION

In its Memorandum in opposition to the present motion filed on January 11, 2010, Applicant argues *inter alia* that the Board lacks the inherent authority to enforce the suspension of proceedings mandated by Rule 2.120(e)(2) of the Trademark Rules of Practice; that the Board cannot quash a discovery subpoena issued by a U.S. District Court; that Opposer has no standing to ask the Board to enforce its suspension of proceedings; and that Rule 2.120(e)(2) does not toll discovery directed to a non-party such as Hampton International Products Corporation ("Hampton"). As discussed below, these and the other arguments advanced by Applicant are essentially unfounded as a matter of law.

II. FACTUAL BACKGROUND

The recitation of the factual background in Applicant's Memorandum implies that Applicant was surprised by the filing of the present motion following the telephone conference between counsel on December 21, 2009. However, during that telephone conference, Opposer's counsel informed counsel for Applicant of Opposer's intent to file the subject motion, and Applicant's counsel responded that Applicant would oppose any such motion.

Notwithstanding the pendency of the present motion, Applicant has decided to proceed with a motion to enforce the Hampton discovery subpoenas in the U.S. District Court for the Central District of California. The local rules of that District require the parties to submit a Joint Stipulation, to be filed with Applicant's motion to enforce the subpoenas, in which each side summarizes its position and sets

forth the arguments and authorities in support thereof. Accordingly, Opposer must participate in the preparation of the Joint Stipulation although it by no means concedes the propriety of Applicant's filing of the motion to enforce the subpoenas or the merits of that motion while the subject motion is pending before the Board. Opposer respectfully submits that Applicant's filing of the motion to enforce the Hampton subpoenas is a clear violation of Rule 2.120(e)(2) and completely disregards the Board's procedural rules that govern this proceeding.

III. ARGUMENT

A. THE BOARD HAS INHERENT POWER TO MANAGE THE CASES ON ITS DOCKET AND ENFORCE ITS OWN PROCEDURAL RULES

As an administrative court created by an Act of Congress,¹ the Board has inherent authority to manage the cases on its docket and enforce its lawfully established procedural rules. *E.g., Chambers v. NASCO, Inc.*, 501 U.S. 32, 43, *rehearing denied*, 501 U.S. 1269 (1991) (a court's inherent power to control its docket and enforce its procedural rules is "governed not by rule or statute but by the control necessarily invested in courts to manage their own affairs so as to achieve the orderly and expeditious disposition of cases."). Although the Board is not a court of general jurisdiction, it possesses the same inherent authority as a U.S. District Court to control the cases on its docket, which necessarily includes the power to direct parties to refrain from taking certain actions in connection with the prosecution of a proceeding before the Board and enter sanctions. *See In re Bailey*, 182 F.3d 860, 864-865 (Fed. Cir. 1999) (non-Article III tribunals have inherent power to control proceedings and enter sanctions); *Opticians Ass'n of America v. Independent Opticians of America Inc.*, 734 F. Supp. 1171, 1181 (D.N.J. 1990), *rev'd on other grounds*, 920 F.2d 187 (3d Cir. 1990). As clearly stated in *Carrini, Inc. v. Carla Carini S.R.L.*, 57 USPQ2d 1067, 1072 (TTAB 2000), the Board has inherent authority "to manage its docket, to prevent undue delays, and to regulate the conduct of those who appear before it." (citing *Link v. Wabash R.R. Co.*, 370 U.S. 626 (1962); *Julien v. Zeringue*, 864 F.2d 1572 (Fed. Cir. 1989); emphasis added.) *See also Univ. of S. California v. Univ. of S. Carolina*, 2005 TTAB LEXIS 235, at *15 (TTAB, June 13, 2005) ("The Board has the inherent authority to control the

¹ See Federal Trademark Act § 17(a).

disposition of the cases on its docket. Consequently, in the interest of moving forward on this case, the Board will not entertain, and the parties are ordered not to file, any further motion(s) for summary judgment.”). Consistent with this basic principle, the Board has directed parties to refrain from filing certain motions in a number of other cases.²

Thus, contrary to Applicant’s argument, the Board clearly has the inherent authority to direct Applicant to refrain from filing any motion to compel the Hampton discovery until proceedings are resumed following a decision on Opposer’s pending motion to compel.

Applicant repeatedly argues that the Board has no authority to “quash” the deposition of a third party noticed pursuant to a subpoena issued by a District Court pursuant to 35 U.S.C. § 24. That argument, however, misses the point of the instant motion because Opposer is not asking the Board to quash, *i.e.*, preclude, the Hampton discovery, but rather only to direct Applicant to postpone that discovery until proceedings are resumed after Opposer’s pending motion to compel has been decided, all as required by Rule 2.120(e)(2).

B. OPPOSER HAS STANDING TO SEEK ENFORCEMENT OF THE BOARD’S SUSPENSION OF PROCEEDINGS

Applicant argues at pp. 7-8 of its Memorandum that Opposer does not have standing to move to quash a subpoena directed to a third-party witness which has not joined in the motion to quash. Again, Applicant has misperceived the nature and purpose of the instant motion. Opposer is not attempting to quash the Hampton discovery, but only to have that discovery deferred until proceedings are resumed after Opposer’s motion to compel is decided, all in accordance with Rule 2.120(e)(2). Opposer, as the party-plaintiff in the instant proceeding, clearly has standing to

² See, e.g., *Schering-Plough Animal Health Corp. v. Aqua GEN AS*, 2009 TTAB LEXIS 71, at *3 (TTAB, March 17, 2009) (applicant prohibited from filing any unconsented or unstipulated motion without obtaining prior permission from the appropriate Interlocutory Attorney); *Hertz Technologies, Inc. v. Nuhertz Technologies, LLC*, 2002 TTAB LEXIS 708, at **4-5 (TTAB, Nov. 14, 2002); (parties prohibited from filing a future summary judgment motion); *Int’l Finance Corp. v. Bravo Co.*, 2002 TTAB LEXIS 348, at *26 n.23 (TTAB, June 5, 2002) (Board prohibited opposer from filing any further motions to compel without prior Board permission).

request the Board to enforce the suspension of proceedings under Rule 2.120(e)(2), which resulted from the filing of Opposer's pending motion to compel.

As discussed below, Opposer's reliance upon the suspension of proceedings pursuant to Rule 2.120(e)(2) to defer the Hampton discovery is entirely appropriate.

C. THE HAMPTON DISCOVERY IS TOLLED BY THE PLAIN MEANING OF RULE 2.120(e)(2)

Rule 2.120(e)(2) expressly provides for a general suspension of proceedings when a motion to compel discovery is filed. There is one exception to that general suspension of proceedings; namely, where a party is under pre-suspension obligation either to respond to an outstanding discovery request or to appear for any previously-noticed discovery deposition. As Hampton is not a party to the instant proceeding, it clearly does not fall within the exception in question.

As discussed below, this very direct construction of Rule 2.120(e)(2) does not, contrary to Applicant's contentions, involve any "disfavored" interpretation of substantive intellectual property law by negative implication.

D. CONTRARY TO APPLICANT'S ARGUMENT, THE CASES RELIED UPON BY OPPOSER SUPPORT THE BASIC PROPOSITION THAT 35 U.S.C. § 24 SHOULD BE CONSTRUED SO AS TO ENFORCE, NOT IGNORE, THE BOARD'S PROCEDURAL RULES

As set forth in Opposer's Memorandum in support of the present motion, the decisions construing 35 U.S.C. § 24 clearly establish that subpoenas issued pursuant thereto should be enforced in accordance with the procedural rules of the Trademark Trial and Appeal Board. Applicant argues at p. 11 of its Memorandum that in the cases cited by Opposer "the district courts gave deference to the U.S. Patent and Trademark Office rules where such rules were clear and unambiguous and exercised their discretion when the rules were not." Applicant is incorrect.

In its hasty attempt to identify "[w]hat Brink's Network fail[ed] to point out", Applicant completely misquotes and misreads *Rosenruist-Gestao E Servicos LDA v. Virgin Enters.*, 511 F.3d 437 (4th Cir. 2007). Applicant argues at p. 12 of its Memorandum that Opposer failed to point out that in interpreting 35 U.S.C. § 24, the *Rosenruist-Gestao* opinion stated that the Court of Appeals was "neither bound by the [Trademark Manual of Examining Procedure] nor obligated to consider its statutory interpretation particularly persuasive." However, in rejecting the applicant's argument that the USPTO's rules did not permit the attendance of a foreign witness

to be secured by a subpoena, the Court of Appeals concluded that it was not bound by the *Trademark Trial and Appeal Board Manual of Procedure* ("TBMP") – not the *Trademark Manual of Examining Procedure* as Applicant erroneously states. 511 F.3d at 448. Equally important, the fact that Opposer did not point out that the Court of Appeals made such a statement is of no consequence. Unlike the applicant in *Rosenruist-Gestao*, Opposer is not arguing that subpoenas issued pursuant to 35 U.S.C. § 24 should be enforced in accordance with the TBMP. Rather, Opposer is arguing quite plainly that subpoenas directed to Hampton should be enforced in accordance with the plain language of the Rule 2.120(e)(2) of Trademark Rules of Practice which has a binding effect that the guidelines in the TBMP obviously lack.

A complete and accurate reading of *Rosenruist-Gestao* supports Opposer's position. In rejecting the applicant's reliance on the TBMP to support its argument that the USPTO rules did not permit the attendance of a foreign witness to be secured by a subpoena, the Court of Appeals explained that it was not bound by the TBMP. 511 F.3d at 448. Instead, the opinion relied on the plain language of Rules 2.123(a) and 2.123(c) of the Trademark Rules of Practice in concluding that 35 U.S.C. § 24 permits the issuance of a subpoena for a Rule 30(b)(6) deposition to a foreign corporation. *Id.* Contrary to Applicant's argument, the Court of Appeals' statement that it is not bound by the TBMP does not suggest that it was using its own discretion in interpreting the USPTO's procedural rules. Indeed, the District Court in *Rosenruist-Gestao* did not use its own discretion – it relied upon the express language of the Rules 2.123(a) and 2.123(c) in interpreting 35 U.S.C. § 24.

Applicant's effort to distinguish *Diageo Brands, B.V. v. Compania Licorera De Centroamerica, S.A.*, 2007 U.S. Dist. LEXIS 68132 (S.D. Fla. Sept. 14, 2007), is similarly unpersuasive.³

³ Applicant attempts to distinguish *Diageo Brands* by arguing that where a trademark rule is silent with respect to a non-party's discovery obligations, a U.S. District Court is properly authorized to interpret whether or not such obligations are within the USPTO's rules. Applicant's proposition is nowhere articulated in *Diageo Brands*, and Applicant cites no other case law to support its proposition.

E. THE CASES CITED BY APPLICANT FOR THE PROPOSITION THAT OPPOSER'S CONSTRUCTION OF RULE 2.120(e)(2) IS BASED ON SOME NEGATIVE INFERENCE ARE READILY DISTINGUISHABLE AND CARRY NO SUBSTANTIVE WEIGHT IN THIS CONTEXT

At p. 9 of its Memorandum, Applicant cites several cases for the proposition that Opposer's interpretation of Rule 2.120(e)(2) is based on a negative inference or implication in the construction of intellectual property law that is disfavored by the courts. However, as discussed below, in each of the cases cited by Applicant the negative inference/implication in question was rejected because there was some legislative or case law authority that did not support the negative inference/implication. In the context of the present motion, however, there is no legislative or case law authority that construes Rule 2.120(e)(2) in a manner which is inconsistent with Opposer's position.

For example, in *J.E.M. Ag. Supply Inc. v. Pioneer Hi-Bred Int'l Inc.*, 534 U.S. 124 (2001), the Supreme Court held that utility patents may be issued for plant varieties pursuant to 35 U.S.C. § 101 and that neither the Plant Act of 1930 nor the Plant Variety Protection Act limited the scope of 35 U.S.C. § 101. The petitioner argued that as of 1952 Congress would not have removed plants from the utility patent provision and into some other provision if it had intended 35 U.S.C. § 101 to allow for protection of plants. The Supreme Court rejected that argument, stating that

"[T]his negative inference simply does not support carving out subject matter that otherwise fits comfortably within the *expansive language of § 101*. . . . Absent a clear intent to the contrary, we are loathe to interpret what was essentially a housekeeping measure as an affirmative decision by Congress to deny sexually reproduced plants patent protection under § 101." 534 U.S. at 138 (emphasis added).

Unlike the petitioner in *J.E.M. Ag. Supply Inc.*, Opposer is not seeking to carve out by some negative inference subject matter from Rule 2.120(e)(2) that otherwise fits comfortably within the language of Rule 2.120(e)(2). To the contrary, it is Opposer's position that the Hampton discovery is tolled by the express language and very plain construction of Rule 2.120(e)(2). Applicant has not cited any Board or

court decision or other authority that construes Rule 2.120(e)(2) in any contrary manner.⁴

Applicant also relies on *Kling v. Hallmark Cards, Inc.*, 225 F.3d 1030, 1037 (9th Cir. 2000), in which the Court of Appeals concluded that the District Court's reliance on dictum in an appellate decision involving copyright co-ownership was inappropriate because that appellate decision "was certainly not intended to set a rule, by negative implication, for the prospective application of the laches doctrine in the wholly different context of copyright infringement suits." The Court of Appeals expressly noted in that regard that the earlier appellate decision "expressly stated that the case did not involve the application of laches to an infringement claim." *Id.* Applicant's reliance on the *Kling* decision is inapposite because Opposer's position that the Hampton discovery is tolled by Rule 2.120(e)(2) is based on the express language and very plain construction of the meaning of that Rule, which is not in conflict with any prior interpretation by the Board.

Finally, Applicant's reliance on *VE Holding Corp. v. Johnson Gas Application Co.*, 917 F.2d 1574 (Fed. Cir. 1990), also is misplaced. In *VE Holding Corp.*, the Court of Appeals held that on its face 28 U.S.C. § 1391(c), as amended in 1988, clearly applied to 28 U.S.C. § 1400(b) and therefore redefined the meaning of the word "resides" in that section. 917 F.2d at 1581. While Applicant notes at p. 9 of its Memorandum that the Court of Appeals stated that "'Congress' silence on this issue [regarding venue in patent infringement cases] does not support a negative inference that the 1988 amendment was not intended to affect § 1400(b)'," Applicant fails to point out that the Court of Appeals also noted that such silence did "not modify [the] court's duty to employ the plain meaning of the language that the

⁴ Applicant's reliance on *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989), similarly is misplaced. In that case, the Supreme Court stated that "[its] decisions . . . have made it clear that the Patent and Copyright Clauses do not, by their own force or by negative implication, deprive the States of the power to adopt rules for the promotion of intellectual creation within their own jurisdictions." 489 U.S. at 165. Again, the Court looked to prior case law in its determination that a negative implication was not warranted. The *Bonito Boats* rationale would not apply in the context of the present motion because the Board has not rendered any decisions that construe Rule 2.120(e)(2) in a manner that is inconsistent with Opposer's position.

Congress adopted.” *Id.* Here, as in *VE Holding Corp.*, Rule 2.120(e)(2)’s silence as to whether discovery directed to a non-party is tolled does not modify the plain meaning of Rule 2.120(e)(2). As discussed above, the express language and very direct construction of Rule 2.120(e)(2) demonstrate that discovery directed to a non-party is tolled during the suspension of proceedings.

F. THE FACT THAT OPPOSER’S COUNSEL IS REPRESENTING HAMPTON IN CONNECTION WITH APPLICANT’S DISCOVERY DIRECTED TO HAMPTON DOES NOT RENDER IT A PARTY OR JUSTIFY TREATING IT AS A PARTY IN THIS PROCEEDING

Without any basis in fact or applicable law, Applicant argues at p. 13 of its Memorandum that Hampton should be treated as if it were a party to this proceeding because it is in “privity” with Opposer. The basic fact, which Applicant does not contest but essentially ignores, is that Hampton’s only relevance to this proceeding is that it uses the marks BRINK’S and BRINK’S & Design pursuant to a license granted by Opposer. Applicant cites no authority for the proposition that the license relationship places Hampton in a position of privity with Opposer. It is well settled that the licensee’s use of the licensed mark pursuant to a license agreement inures to the benefit of the licensor.⁵ Thus, while the license arrangement places Opposer and Hampton in the position of related companies as defined by § 45 of the Federal Trademark Act,⁶ they are not in a position of privity. Indeed, the mere fact that Hampton needed to enter into a license agreement in order to use the licensed marks constitutes an acknowledgement that it is not the owner of the mark or in a position of privity with the owner. *See, e.g., A & L Laboratories, Inc. v. Bou-Matic LLC*, 429 F.3d 775 (8th Cir. 2005); *Hot Stuff Foods, LLC v. Mean Gene’s Enterprises, Inc.*, 468 F. Supp.2d 1078 (D.S.D. 2006). It is well settled that a finding of privity in this context would require some successive property relationship between Opposer and Hampton with respect to ownership of the licensed marks. *See, e.g., Litchfield v. Crane*, 123 U.S. 549, 551 (1887) (defining privity as including

⁵ See § 5 of the Federal Trademark Act.

⁶ Section 45 of the Act defines “related company” as “any person whose use of a mark is controlled by the owner of the mark with respect to the nature and quality of the goods or services on or in connection with which the mark is used.”

a mutual or successive ownership relationship to the same property rights). There is no such relationship.

Applicant, relying on *HighBeam Marketing LLC v. Highbeam Research LLC*, 85 USPQ2d 1902 (TTAB 2008), argues that if Opposer cannot toll its discovery obligations during the current suspension of proceedings,⁷ it is only “equitable” that Hampton’s discovery also should not be tolled. Applicant’s reliance on the *HighBeam Marketing* decision is totally misplaced. In that case, the non-party witness was a survey expert retained by the opposer; as is usually the case, that expert witness also was represented by the opposer’s counsel for purposes of the expert’s deposition noticed by the applicant pursuant to subpoena. As part of that representation, the opposer’s counsel requested the applicant to confirm that it would compensate the expert witness for her testimony and travel time in connection therewith at a designated hourly rate and subsequently stated that the expert witness deposition would be cancelled unless the applicant agreed to compensate the expert witness for the statutory witness fee and mileage expense.⁸ The applicant then moved for sanctions based on the failure of the expert witness to appear for the deposition in question.

In addressing the motion for sanctions, the Board noted that since the expert witness was not an officer, director or managing agent of the opposer, she could not be sanctioned under Rule 2.120(g)(2) of the Trademark Rules of Practice for failing to appear for the deposition. However, the Board found that the opposer’s counsel clearly prevented the expert witness’ deposition from going forward by insisting on resolution of the fee dispute prior to the deposition and that counsel’s conduct in that instance was attributable to opposer as a party. The Board also concluded that the expert witness should have either complied with the subpoena or moved to quash the subpoena in the U.S. District Court. Based on those determinations, the Board imposed a sanction under Rule 2.120(g)(2), or alternatively based on its own

⁷ Opposer is not under any current discovery obligations, *e.g.*, to produce documents or appear for a deposition, based on any discovery request served prior to the Board’s present suspension of proceedings.

⁸ Neither the opposer nor the expert witness moved the District Court to quash the subpoena.

inherent authority, against the opposer based on the role of its counsel in ensuring that the expert witness would not appear for the deposition.

The facts and procedural context in the present case are fundamentally different from those in *HighBeam Marketing*. In this instance, Hampton is not a witness whose testimony was procured by Opposer, but rather an independent licensee whose deposition is being sought by Applicant. The fact that Opposer's counsel also is representing Hampton in connection with that deposition is not a basis for waiving the clear mandate of Rule 2.120(e)(2) that all discovery is subject to a suspension of proceedings once a motion to compel is filed other than previously noticed discovery directed to a party. The present motion is based on the clear meaning of Rule 2.120(e)(2) and is not, contrary to Applicant's argument, some sort of gamesmanship engaged in by Opposer to preclude discovery. Unlike the situation in *HighBeam Marketing*, Opposer is not trying to preclude or place any unreasonable conditions on the Hampton discovery, but only defer it until Opposer's motion to compel is decided and proceedings are resumed, as required by the plain meaning of Rule 2.120(e)(2).

G. APPLICANT'S RELIANCE ON TBMP § 403.03 IS MISPLACED

In support of the present motion, Opposer notes that the equities of this case -- namely, Applicant's repeated failure to provide a date for the deposition of Applicant's President Mr. J. Baxter Brinkmann -- is a factor that should have some bearing on the resolution of this motion. Applicant attacks that argument by relying on the statement in TBMP § 403.03 that "[d]iscovery in proceedings before the Board is not governed by any concept of priority of discovery or deposition". Applicant's argument misperceives the point that Opposer is attempting to make.

Opposer is not arguing that the Hampton discovery should not go forward because Applicant has not provided a date for Mr. Brinkmann's deposition. To the contrary, the point is that it would be unjust and inequitable to allow Applicant to ignore the plain mandate of Rule 2.120(e)(2) when it has repeatedly engaged in a pattern of delay in preventing Opposer from taking Mr. Brinkmann's deposition.

IV. CONCLUSION

For the reasons stated above and in the Opposer's original Memorandum, it is respectfully submitted that the instant Motion to Enforce Suspension of Proceedings should be granted.

BRINK'S NETWORK, INCORPORATED

Dated: January 21, 2010

By: _____

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Reply Memorandum in Support of Opposer's Motion to Enforce Suspension of Proceedings was served on the following counsel of record for Applicant by depositing the same in the U.S. Mail, first class mail postage prepaid, this 21st day of January, 2010:

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A handwritten signature in dark ink, appearing to read "Ken Stogner", is written over a horizontal line.